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**天虹紡織集團有限公司**  
**TEXHONG TEXTILE GROUP LIMITED**

*(incorporated in the Cayman Islands with limited liability)*  
**(stock code: 2678)**

**INSIDE INFORMATION**  
**FURTHER UPDATE ON THE POSITIVE PROFIT ALERT**

This announcement is made by Texhong Textile Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company on 8 November 2013 (“**November Announcement**”) of the positive profit alert of the Group for the year ended 31 December 2013 (“**Year**”).

The board (the “**Board**”) of directors of the Company wishes to inform the shareholders of the Company and potential investors that in addition to the factors as set out in the November Announcement, the profit of the Group for the Year may be further increased as a result of an one-off gain of approximately RMB260 million on bargain purchase as a result of the acquisition of the entire equity interest of Shandong Morigin Textile Factory Co., Ltd. as announced by the Company on 20 June 2013 which was completed in the second half of 2013.

During the Year, the Group has sold over 280,000 tonnes of yarns. Solely based on the unaudited consolidated management accounts of the Group for the Year which have not been reviewed or confirmed by the audit committee or the auditors of the Company, it is expected that the consolidated net profit of the Group for the Year will exceed RMB1,100 million.

The Board wishes to state that this announcement is made based on a preliminary review of the draft unaudited consolidated management accounts of the Group for the Year. Detailed financial results of the Group for the Year will be disclosed in the final results announcement which is expected to be published in March 2014.

**Shareholders of the Company and the potential investors are advised to exercise caution when dealing in the shares of the Company.**

As at the date of this announcement, the Board comprises the following Directors:

*Executive Directors:*

Mr. Hong Tianzhu  
Mr. Zhu Yongxiang  
Mr. Tang Daoping  
Mr. Gong Zhao

*Independent non-executive Directors:*

Prof. Cheng Longdi  
Mr. Ting Leung Huel, Stephen

By order of the Board  
**Texhong Textile Group Limited**  
**Hong Tianzhu**  
*Chairman*

Hong Kong, 10 January 2014